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THE RURAL PROBLEM

By

John Zebulon Green



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OR

*Why Farmers Should Organ-
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BY

J. Z. GREEN

State Organizer-Lecturer

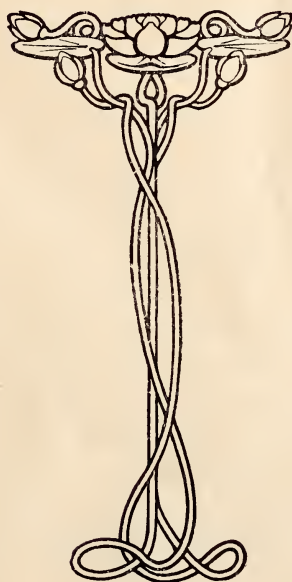
North Carolina Division of the Farmer's Union

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...OR...

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Stay Organized.



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AUTHOR'S PREFACE.

In compiling this series of articles, which recently appeared in the Carolina Union Farmer, I am conscious of the fact that I have stepped a little out of the beaten paths in dealing with rural problems. I have endeavored to stay close to the fundamental idea presented—that the problems that need the attention of farmers most are class problems which they, as a class, must work out for themselves in a co-operative way, through a business system of distribution established and maintained by the class whose direct personal interests are affected.

Economic production and greater production per acre on the farm are good as far as they go, but economic and systematic distribution must go hand in hand with economic production, otherwise the producer must suffer the disaster of competitive individual selling and congested markets.

In asking that farmers exercise the right and privilege of pricing their own products as high as trade conditions will justify, through a co-operative system that will compel the purchaser to seek the sellers' places of business, I am contending for nothing new, but for the same privilege that business and professional men exercise in the daily conduct of their business.

The greatest and most important economic problem that confronts the farmer is the marketing problem, and upon its correct solution depend the freedom and prosperity of those who till the soil.

J. Z. GREEN.

Marshville, N. C., January 10, 1912.



J. Z. GREEN,
State Organizer-Lecturer, North Carolina Division of the Farmers Union.

I—TO PROTECT AND PROMOTE CLASS INTERESTS.

Theoretically, the idea of "the universal brotherhood of man" sounds well. Sermon after sermon has been preached describing the beautiful characteristics of an "unselfish people"—an imaginary part of the human race that does not exist. Discourses upon these imaginary ideals have an uplifting influence upon mankind and are all right in their places, but in this series of articles on "*Why Farmers Should Organize and Stay Organized*" it is the purpose of the writer to deal with human nature and modern conditions as they are and not as we would prefer to have them.

In the incentive to action behind nearly every human endeavor there is an element of selfishness. It is a part of human nature and can not be eliminated. Without this element of selfishness men would be indolent, indifferent and inactive. Without it mankind would be improvident and there could be no advancing civilization, no material development.

In following out the impulse of his nature to look out first for his own interests and the interests of his family, man frequently disregards the interests of others in his business relations with his fellow men. This is done on the presumption that each individual ought to be man enough and have intelligence enough to protect his own personal interests, and that nature has decreed that the individual or class of individuals that do not protect themselves must suffer for it.

In the relationship that exists between the different classes of the same vicinity there are sometimes certain community interests that are common to all and, therefore, when it comes to providing means for the building of good roads, for establishing educational institutions

and other public conveniences which enhance the community value of property in a town or vicinity, we frequently find doctors, lawyers, merchants, manufacturers, farmers and wage earners all lined up together, working for the same end. But when it comes to the financial interests that directly concern the different professions and classes, there is a natural conflict of personal interests, and each class or profession works as individuals, and through its distinct class organization, to promote its own interest in every legitimate manner possible, regardless of the effect it may have upon the interests of others. The merchant's prosperity depends upon the amount of profits he can get from others. The lawyers and doctors succeed financially in proportion to the amount of fees collected from others. The wage worker's prosperity depends upon the amount of wages collected from others, and the farmer's success depends upon the price he gets from others for his products. So, when the direct interests of the different classes are considered, there is a natural and unavoidable conflict of personal interests running through all our business relationship with each other, and it can't be dodged. If we, as farmers, first realize that this conflict of interests in our business transactions exists and must continue to exist, we will then be in better shape to deal with these conditions intelligently and successfully.

It is folly to attempt to change natural conditions which can never be changed, unless it were possible to change human nature and human environment. We must, therefore, deal intelligently with human nature as it is and with modern conditions as they exist, and not waste any effort or energy in trying to change them.

The natural conflict between class interests has been

greatly intensified during the past quarter of a century by the combinations of capital in productive industrial enterprises and by class organization and co-operation, through which *production is limited to actual demand and distribution is controlled*. These class organizations fix prices with an eye single to the interests of the class that does the fixing, and it is done at the expense of the class that does not have the intelligence and good business sense to follow that method of promoting its interests. Now, don't be quick to condemn in others the same part of human nature that is in all the human race, and let us be slow to condemn others for doing what we would do, if placed in the same position. The point we make is that life itself is a fierce struggle which is not ethical, but selfish to the core.

In its business dealings, if one class takes advantage of another, that other class has no right to kick, if it lies within its power to prevent it.

You have heard it said that farmers have not been getting "justice," but it is justice that is hurting them. When a class of people humbly and stupidly permit an organized system of commercialism to price everything they *buy* and also everything they *sell*, with no organized effort to prevent it, justice comes along with considerable force and hits them hard between the eyes. It is this kind of deserved justice that farmers have been getting, and that kind of justice will keep on hitting us until we find a remedy and apply it.

Farmers must organize to promote and protect their own class interests, because that is the only way it can be done successfully. Acting as individuals, alone and single-handed, we become an easy prey for the combined forces of the classes who recognize the power of organization and co-operation. Again, farmers must organize to protect their own interests, because there is

nobody else that can, or will, protect these interests for the farmers, as a class. In the protection of our farming interests we necessarily come in contact and in conflict with the personal interests of those who want to buy our products as cheaply as possible, and everybody, except the farmer, wants to do that. It's an idle dream to expect any help from them, even if they knew how to help us. It's a stern battle of class interests that the world is engaged in, and each class must make an intelligent and manly organized fight for its own interests, or be left in the race—to suffer for its own folly and indifference.

With the Farmers' Union in our midst, as the "last call" to the farmers to unite permanently, as all other classes have done, intelligent and loyal farmers can't afford to remain out of this organization, for the world hates a "scab" and a quitter. In an article in a recent issue of the American Magazine, on the success of labor unions, Mr. Clarence Darrow, labor's foremost defender in the courts, makes this comment: "In this world men are crucified not because they are bad, but because they differ from their fellows. Trade unionists have for centuries believed that they were upholding the rights of men, protecting the welfare of their class, and promoting the interests of their homes; that without the union shop their liberty and their independence would be gone. They have come to regard the non-union men not only as the enemies of their homes, the destroyers of their families, but as traitors to their class; as men who seek to undermine and destroy the organization which protects them. This is not a fact in trade unionism alone, but a deep abiding fact in human life. In its last analysis it is the law of self-defense."

II—TO CO-OPERATE AS A NEIGHBORHOOD.

Every wide-awake, progressive rural community can make a Local Union the biggest asset in the community, if the citizens will set themselves to the right kind of efforts, through the application of the principle of neighborhood co-operation. A local organization of farmers in a vicinity has a field of usefulness that is limited only by the intelligent activity of its members. Through the local Farmers' Union a closer relationship is developed and maintained in a vicinity where community interests are common to all, and these community interests, such as better school facilities, extension of rural telephone service, establishment of rural libraries, the building of better roads, etc., can not be promoted successfully except through some kind of neighborhood co-operation, and as education must precede the adoption of every reform or progressive idea, there is no better place to educate than in the Local Union. But it is not my purpose to sermonize at length upon the far-reaching and beneficent effect of closer relationship and neighborhood co-operation to promote general community interests, such as I have mentioned, but to refer to something specific—something that concerns the direct personal and material interests of the farmers of a rural community, and suggest some ways that these class interests may be advanced through neighborhood co-operation. In fact, it will be my endeavor, through these articles on *Why Farmers Should Organize and Stay Organized*, to stick close to the idea of direct class interests, for that is the part which farmers are most interested in, and it embodies the real problems to be solved, as they affect the business side of the farmer's life.

The average farmer isn't able now to buy, on his own individual account, all the modern labor-saving

farm implements that he needs on the farm, and the average farmer will never be able to pay for the implements and farm machinery which he must have if he produces his crops as economically as the big landlord and capitalistic farmer whose extensive farming operations justifies the outlay for all the modern farm machinery needed to produce and harvest crops at minimum cost. Unless the average farmer (and the average farmer is the small farmer) can have the use of the kind of farm machinery that is used on the big plantations and on the corporation-owned estates, he can't compete successfully with them in production, and it is only a question of time before he or his descendants will be forced into bankruptcy. There is one way, and one way only, that the small farmer can get the use of the labor-saving farm machinery needed, and that is through neighborhood co-operation in the purchase and use of the needed implements and machinery. In this way all the members of a Local Union, who desire it, can have the use of harvesters, shredders, threshers, stump-pullers, potato planters and diggers, manure spreaders, wood-sawing outfits, co-operative repair shops, feed mills, etc. If individual ownership is preferred to co-operative or joint ownership, each individual can purchase a separate implement or machine, on his own account, and there can be a co-operative exchange of the use of these under satisfactory regulation. Neighborhood co-operation of this kind would be in harmony with the best principles of economy and is highly practical.

Then again, thoughtful, progressive farmers can make neighborhood co-operation pay in breeding and growing pedigreed live stock. A neighborhood Local Union can specialize in breeding and keeping up to a high standard any particular breed of hogs, cattle or

horses and, after getting an established reputation for certain breeds, it wouldn't be hard to find a steady and profitable market for them, and the same principle of neighborhood co-operation may be applied with good results in the production of thorough-bred poultry. This principle of neighborhood co-operation may also be applied to seed selection and improvement, and also to diversification of crops by any number of members of the Local Union making a contract with each other to plant a sufficient amount of fruits, vegetables or special crops to make car-load shipments from their local station to the best markets.

Neighborhood co-operation in selling and buying can be made fruitful of splendid results. By proper classification and packing in bulk, better prices can be obtained than when sales are made, as individuals, to local merchants. By bulking the perishable products of the neighborhood together and letting the local selling agent be backed up by each individual member in a guarantee of the freshness of eggs, butter, etc., and also in a guarantee of pure-bred stock and poultry, consumers and purchasers will pay a higher price than for promiscuous and poor assortments of products with nothing to indicate where they came from and with no guarantee as to quality and freshness. Equally as good results may often be obtained by co-operative buying, at the home town, from local merchants, if a Local Union will join together in their purchases and let the local secretary or trade agent do the buying, in bulk. For instance, if each member buys a half dozen rolls of fence wire, as individuals, scattering the purchases at different places, there is no concession made in price, but if two dozen members of a Local Union tell their trade agent to go on the market and buy one hundred and forty-four rolls of wire, every local

dealer bids strongly for the sale, and they cut the margin of profit down to the minimum, and there is thus a big saving to each member, and don't forget that any local dealer can afford to cut the price on any kind of large sale, for a paid clerk can deliver a big purchase almost as quickly as a small purchase. The clerk's time consumed in "talking" to make a big sale isn't much more than is consumed in making a small sale—and the proprietor of the store has to pay his clerks to talk! What will apply in the purchase of fence wire will also apply in other things, even to small articles like package soda, baking powders, and other case goods. All that is necessary to get close to wholesale price on small things of this kind is to make the purchase in original case packages. It doesn't require much more of the dealer's time to deliver a case of soda than to deliver a 5-cent package of soda. By neighborhood co-operation in buying you save the merchant's time and he can well afford to make big concessions in price when you buy in bulk instead of little packages that have to be wrapped and delivered to each man under the old expensive individual method of buying.

I have thus referred to the possibilities of neighborhood co-operation to show what can be done at home, in your own district, through your own Local Union, even if your local organization were independent and separate from all other Local Unions. In our dreams of co-operation in its larger meaning, I sometimes think we are inclined to overlook the possibilities of neighborhood co-operation at home, through our Local Unions, and I am frank to say that it has always been my opinion that we can never reap the best results from co-operation in broader fields, and in its greater meaning as applied to general commercialism as it af-

fects the business of the farmer, until we first learn, by practice, the principle of co-operation through our Local Unions, because enduring structures are built only by beginning at the bottom, and the Local Union is the bottom of the Farmers' Union. This series of articles would not be complete without this reference to some of the things we can accomplish through "Neighborhood Co-Operation."

III—TO CURTAIL AND CONTROL PRODUCTION OF CROPS FOR THE MARKET.

Limited production is a modern business principle that underlies the safety and success of every business and profession. *Limiting supply to actual demand* is the scientific business principle that stands between success and failure. *Unlimited production*, without regard for demand, would bring financial disaster to the manufacturer, and *unlimited distribution*, without regard for demand, would wreck and ruin the biggest and strongest mercantile enterprise on earth. All classes of manufacturers anticipate the demands for their various products and they then produce only enough to meet the probable demands. That is the intelligent plan of production and it is the safe plan. Following this plan out, congested markets from abnormally large factory outputs are prevented and bankruptcy avoided. Limiting production to actual normal demand insures profitable prices to the producer and makes his business safe, permanent and profitable. This result can be attained in no other way except through the modern business principle of limited production, which the entire professional and commercial world puts into action as far as practical. Professional men limit the production of service to actual demand

for the same business reason that is behind the idea of limited production with the manufacturers.

When I recommend and advocate and defend the idea of limited production of farm products, intended for the market, I am advancing no new or untried plan, no new theory of economics. I admit that it is, indeed, new as applied to the business of farming, but the very fact that we haven't been far-sighted enough to apply it in our own business explains why home-owners are becoming fewer and fewer in the rural districts every year, why we have been made to suffer for our own wasteful industry and why others have reaped the result of our toil and our energy and our economies in production.

Why should we have *competitive production* on the farm after it has been eliminated everywhere else? Why should we waste our labor and energy to produce and gather a bumper crop to sell at prices below cost of production? If by increasing the aggregate production of hogs for the market the price of hogs declines so that the consumer gets the benefit of the increased production, doesn't it result in loss to the producer? In the aggregate, if ten million bales of cotton for the market will bring two hundred million dollars more money to the producers of cotton than fourteen million bales will bring, isn't it business suicide to produce fourteen million bales? "The world needs the cotton," you say? If farmers find that they can't get a profitable price for cotton unless they produce *less than the world needs*, isn't it their moral duty to go ahead and produce *less than the world needs* and thereby protect their own interests and the interests of their families? If they don't guard their interests, who will? Is it right for a farmer to carry his wife and children into the fields to make big crops of cotton

and tobacco when it is a fixed law of economics that prices decline in proportion as the market is congested by abnormally large outputs? Isn't it a mistake that almost amounts to a crime for farmers to keep their children out of school and put them into the fields to *depress prices of farm products* and let them grow up in ignorance and become an easy prey for superior intelligence? Talk about tragedy, but here it is, written in scarlet, in millions of Southern farm houses. Child slavery in cotton mills is, indeed, deplorable and it ought to be prohibited by the strong arm of law, but it is no worse than child slavery in cotton and tobacco fields. In fact, child slavery in the cotton fields is a double tragedy, for it results both in *perpetuating the curse of ignorance on the farm and also brings ruinously low prices for the very thing which the children are kept out of school to produce!*

If the white children of the South had been kept out of the cotton fields this year the cotton crop would have been reduced approximately two million bales. And again, if Southern white farmers had all planted for a living at home, thus correcting a suicidal economic error that has cost the South more than any other, the cotton crop would have been reduced another two million bales. These two legitimate and commendable business methods of limiting cotton production would have saved this year one-fourth the labor and energy that has been criminally wasted. This same principle of limiting production will apply to any other crops grown especially for the market; and unless farmers wake up and become practical business men, as well as good farmers, and co-operate to control the output of products intended for the market, the classes who do business under the principle of *limited production and controlled distribution* will eventually own all

the farm lands of this country and the masses in the rural districts will be reduced to tenants. No class of people who enter into deadly competition with each other, both in the production and sale of their products, can reasonably expect anything but ultimate industrial slavery.

I am fully conscious that the argument I am producing here is somewhat in conflict with the work of well-meaning employees of the agricultural departments who have encouraged us to make competitive business war against each other to see which can succeed in doing most to increase the aggregate production of farm products for the market. Their efforts to correct the great and far-reaching error of importing food products to consume on the farm is commendable. Their idea of soil improvement is also right and proper, if they also advise the *reduction of acreage and shorter hours of labor on the farm* as a safeguard against congested markets and low prices, but if the aim and idea is to increase the aggregate production of products for the market by *improving all the acres now in cultivation*, they are unconsciously engaged in a task, which if consummated, means nothing but disaster and low prices to the very class they seek to help, and it brings corresponding prosperity to the inhabitants of towns and cities who buy our products cheaply just in proportion as the aggregate output of our farm products increase.

I am also mindful of the fact that in advocating controlled production and controlled distribution of farm products I am contending for the same principle that "trusts" and combines use to fix prices upon their products, and without which they could never succeed. If I am criticised for this by "trust busters" I respectfully remind them that no "trust" has ever yet been

"busted" by legislation and we are getting tired waiting for relief from that source. The idea of breaking up "trusts" and combines by law now is an empty dream. Nothing short of the application of the principle of socialism will do it, and this country isn't ready for that yet. Besides, any act of legislation that would prevent "trusts" from controlling the output of their products and fixing the price would touch every labor and professional organization in this country which control the supply of service and fix the price. It's the modern way of doing things, and whether we all like it or not, it is here to stay. It's a real condition that we must meet, for we are powerless to change it without revolution, and we can't dodge it. With it has come new problems, but they are principally *class problems, which each class* must meet and work out for itself, and the class that refuses to do it, is doomed to inevitable industrial slavery, in the course of time. Professional men, skilled laboring men and manufacturers are meeting the new condition by the application of "trust" methods. Farmers stand alone as the only class of producers who work fifteen hours a day in competition with each other and then sell their products at auction upon the streets. That an impending crisis is confronting them is plain. No real student denies that. The only question is, how long can it last—unless we kindle the elements of manhood and loyalty within us and go to work in the modern tested and tried business way to protect our heritage and our homes. Is there any way to do it except to fight it out behind a living produced at home and by limiting the crops for the market and controlling their distribution in such manner as to maintain profitable prices? Let some fellow, who is selling cotton and tobacco below cost of production, answer.

IV—TO ESTABLISH AND MAINTAIN A CO-OPERATIVE SYSTEM OF MARKETING.

The two fundamental essentials to the success and safety of any business enterprise are the ability to *limit the supply and to control the distribution* and to place the product manufactured or sold in such manner as not to congest the market at any point. In the foregoing article I have tried to show the ruinous disaster that comes, especially to Southern farmers, through the short-sighted policy of *competitive production* to the extent of congesting the markets with large aggregate yields of marketable products and thus forcing down the price below average cost of production.

Competitive selling of farm products on the local markets, by individual farmers, regardless of demand, has been the direct cause of more poverty, ignorance and industrial slavery in the rural districts than all other causes combined, except competitive production of crops for the market. Street selling of farm products to the highest bidder to local dealers is, in results, nothing more than an array of farmers against each other in a deadly competitive war that brings ruin to their business and which, if applied to any other business on earth, except farming, would quickly result in financial bankruptcy.

The safe and sane way to distribute the products of the farm is to supply the market at every point gradually and systematically, so as to keep up a strong and healthy demand, and thereby prevent extreme fluctuations in prices and insure to the producer a legitimate profit for his toil and for his capital invested. And this necessitates the establishment and maintenance of co-operative warehouses, owned and operated by farmers, as places of distribution.

The warehouse system of selling is the only practical

solution of our marketing problem that has ever yet been suggested or tried and I am frank to say that I don't believe there is any other satisfactory solution. Without *places of business* co-operative marketing must remain only a theory and an empty dream. The business of farming will never be a safe and profitable business until we establish our *selling places* in most of the market towns and cities, and then compel *the buyer to seek the seller* when our products are needed. The sickening and disgusting spectacle of individual farmers running around over town, in a begging attitude, hunting purchasers and selling the products of their toil at auction, is out of harmony with the way the modern business world does business, is a reflection upon the intelligence and manhood of farmers as a class, and in fact a disgrace to our civilization. Of all the reforms in this world needed by farmers, a reform in our individual street selling system is needed more than all other business and economic reforms combined.

A warehouse system of co-operative marketing, properly maintained and supported, means *economic distribution*. In the elimination of unnecessary toll gates that stand between producer and consumer the consumer should be interested as well as the producer. Why should a consumer want to pay house rent and clerk hire of a dozen grocery stores if he can get fresh farm products at a farmers' warehouse and get the benefit of the economies that are made possible by combination, co-operation and concentration at one place? But it is not my purpose here to discuss the relative effect of a farmers' warehouse system of marketing upon other folks, because the other fellow has been looking after his interests right successfully heretofore and he will be apt to continue to do it, without

asking any favors from anybody. I think, however, that I can with safety say that a direct and economic system of distribution can never hurt the interests of this country as a whole.

In the establishment of its local warehouses the Farmers' Union has begun to build the links in a great chain of distributing warehouses whose ultimate consolidation will give it the strength and commercial rating that will make its contracts good anywhere. In its consummation the warehouse system of marketing will make the farmer, who is now only theoretically independent, as independent as other people who exercise the right to price their services and their products, goods, wares and merchandise. While his individuality will be to a large extent lost in selling, he will have the consciousness that it's the modern way that "big business" wins through co-operation, and he can well afford to lose his individuality if it takes him off the streets with his products in the humble attitude of a beggar. It is much better to put our products in a selling warehouse and let the folks who are hungry for them hunt the selling warehouse than it is to run up and down the streets as peddlers, hunting up the buyers. As long as sellers continue to hunt the buyers and sell to them at auction, the buyers will have the longest end of the rope. Besides, individual farmers can't keep in touch with the demands of the trade and find the best markets for their products as a system of warehouses can do with a central selling agency. There is every reason why individual street selling must go! There isn't one little puny reason why it should be continued.

In this article I have not gone into details as to methods of establishing a warehouse system. I am not wedded to any particular plan, but I am committed

steadfastly to the principle of gradual marketing through a combined warehouse system owned and controlled by farmers—a system that capitalizes our business and controls the distribution of our products in such manner as to maintain profitable prices and that will forever consign to oblivion the disgusting and suicidal method of competitive street selling by individuals. Whether it takes one year, five years or a quarter of a century to accomplish this purpose, *we should begin now to build the warehouse marketing system*, for it's the only permanent solution, and everything else we may do can be nothing more than temporary expedencies.

V—TO PRICE THE PRODUCTS OF THE FARM.

The right to price things is conceded to everybody who has the good business sense and intelligence to exercise it. This right to price things is generally exercised by the *seller*. And this applies to individuals as well as to the "trusts." I went into a North Carolina city the other day and began to make note of how people assumed the right to price things. I went to the lunch counter and the owner had fixed prices on everything in his bill of fare. When the barber shaved me I discovered that I paid him a price which he had fixed for that service. The little negro who shined my shoes had also fixed his price for that kind of job. I saw customers in stores buying all sorts of merchandise at prices which had been fixed by the retailer, who had bought at prices fixed by the wholesale man, and the wholesale man had bought them at a price fixed by the manufacturer plus the jobbers' commission. I saw a doctor riding to see patients who would pay him for his service at a price which he, himself, fixed. I saw men entering law offices to get legal counsel at a price

fixed by the lawyer who had legal service to sell. I rode a few blocks on a street car at a price which that company fixed. Stopped at a newspaper office and saw a modern press turning out newspapers to be sent out at a price fixed by the publishers. In that newspaper were more than a dozen columns of advertisements occupying space which the publishers had sold at a price fixed by themselves (also some bold and fearless editorials condemning the principle of price fixing by sellers.) When I paid my bill for lodging at the hotel I did it at the price fixed by the proprietor of the hotel. Then the hack man made me fork out pay for conveyance to the depot at a price fixed by the livery man who was selling that kind of service. Everywhere the *purchaser* was paying the price fixed by the *seller*—with one lone exception. *The farmers, who were peddling their products on the streets, were letting the purchasers fix the price to the sellers*—and this is the lonesome and pathetic exception that I refer to.

If the *seller* does not protect himself and his business by fixing prices of what he has to sell, who will protect him? On general principles it would be disastrous to any business man to permit the *purchaser* to price what he produces or sells. No merchant or manufacturer could stay in business long if the right of price making were turned over to the *purchaser*, for the purchaser would be considered a sorry business man, if he didn't buy as cheaply as possible. To turn over to the *purchaser* the right to price the manufacturer's products or the merchant's goods, would lead to inevitable bankruptcy for the merchant or the manufacturer who surrendered this right to the purchaser. The same financial disaster would quickly confront a newspaper publisher if he should grant to the purchaser the right to put a subscription price upon his

newspaper or magazine, and the purchaser of advertising space would buy the space below cost of production, if the publisher should surrender his right to price his advertising space. And I don't believe lawyers and doctors could stay in their professional business long if they permitted the *purchaser* of their professional service to fix the price of that service. Am I safe, then, in declaring that the surrender of the right to fix price by *seller* to *purchaser* means, as a rule, financial failure for the *seller* who thus surrenders this right?

Under our modern organized system of commercialism the farmers of this country are the only class of producers who have surrendered, and still surrender, to the purchaser the right to price their products. Every other class, both business and professional, have a scale of prices to which they adhere as closely as trade conditions will permit, and the scale of prices are fixed on a profitable basis to themselves.

If you want to hunt for the reason for industrial tenant slaves that occupy more than half the fields of North Carolina; if you want to find the real underlying cause for old rotten farm buildings, poor home conveniences, short school terms and the iniquitous credit system in the rural districts, you'll have it located when you are reminded that *farmers, as a class, have been going on the markets as individuals, selling on glutted markets, in deadly competitive business war against each other, letting the purchaser fix the price to the seller!*

Just as long as we continue to let the purchaser fix the price of the seller's products we may expect to see our brightest boys move to the towns and cities and we may expect to see the ownership of our farm lands continue to pass into the hands of absentee landlords—pass into the hands of the *classes of people to whom*

we have surrendered our right to price the products of our toil, and tenants will gradually take the place of home-owners on the farm. I am not pessimistic when I declare that three years' travel through the rural districts of North Carolina and personal observation and investigation have revealed to me forcibly the sad fact that even during a period of general prosperity the farmer who has achieved success, as the business world would consider success, is the rare exception and not the rule. The farmer who depends upon his own labor can put only a small surplus to his credit now and then, and it comes through a process of economy at his home that isn't known in many town and city homes, and it comes, too, by the neglect of the education of his children who are kept in the fields instead of the school room. No farmer, who is dependent upon his own labor, can afford a servant for his home, even during cases of protracted illness in the family, without financial embarrassment. In many instances the wife in the farm home not only does her own house work, but also helps in the fields with the farm work. A class of people who surrender the right to price the products of their toil may expect to be compelled to carry their wives and children into their business with them to help make a living.

In this connection I want to make this emphatic statement and challenge denial: Industry, long hours of labor and increased production of crops for the market, carried to the fullest possible limit, can never bring success to the business of farming. The only thing that will bring general prosperity to the men who make a living with their own hands on the farm is *a co-operative business system of marketing that will cause the buyers of our products to go to our places of business—to our distributing warehouses—and pay the*

price fixed by the seller, a price as high as trade conditions will justify, just as other sellers fix prices.

VI—TO CO-OPERATE IN BUYING.

In previous articles I have conceded the right of price-making to the *producer*, because by precedent and by all the rules that safeguard business interests and prevent failures and bankruptcies, the *producer* is entitled to that right. The manufacturer must economize in production, even down to the smallest detail, and in making his price he must figure every item of cost to produce and then add his profit to the cost of production. In our co-operative buying it would be folly to attempt to price the manufacturer's products as they come from his manufacturing establishment. But by a practical plan of co-operative buying we can shorten the long, circuitous and expensive route that manufactured products have been travelling to reach consumers, and also get the benefit that always comes in the nature of concessions in prices under big business and big orders. Co-operative buying is only another name for economical buying, and nobody can object to it unless it is somebody who operates an *unnecessary toll gate between* producer and consumer. A class organization of farmers ought, by all means, to maintain a co-operative business system of buying that will enable them to purchase the things which are made *only for the use of farmers* direct from the makers, and the manufacturer of farm wagons, farm implements, etc., should be willing to sell direct to his consumers when by so doing he can economize in the distribution of his products in a way to benefit both himself and the consumers of his products.

With a consolidated Farmers' Union warehouse system of distribution, such as we are building, and must

build, we will have a capitalization and rating that will be attractive and that will make our contracts good anywhere, and with a system like this, backed up by the *co-operative patronage* of the organization, we can go behind all the superfluous toll gates and get next to the producer, and in some instances, contract for and take the entire output of his factory, thus relieving him the expense and element of uncertainty that he assumes when he hires men to go out to find a market for his output. That plan of *direct dealing with the consumer* would be mutually beneficial to both the manufacturer and the consumers, and nobody who believes in economic distribution can reasonably oppose it.

We are living in an age of combinations of capital and "big business." If a dozen stores consolidate and run a big department store and thereby dispense with unnecessary house rents, fixtures, clerk hire, etc., and then undersell the individual merchant, and the consuming world gets the benefit of the economies made possible by combination and big business, where is there anything to kick about? If big department stores and mail order houses can go behind the wholesaler and the jobber and buy direct from the manufacturer, wouldn't a big combination of farmers buying through one channel get equally as good results? With a mammoth warehouse system, supported by the Farmers' Union, we can have *both the capital and the patronage* to do big business—the kind of business that can get along without the jobber and wholesaler and we can with the same system become our own importers.

Under the subject of "Neighborhood Co-Operation" I referred to some results that may be obtained through co-operative buying by a Local Union, on the home markets, and in some localities the saving that

has come in that way has aggregated an amount that surprised the membership, but results through that method are limited, and it is at most only a temporary expediency during the formative period of an organization. The only way to get satisfactory results in buying is to reform a system of distribution that puts unnecessary toll gates along the commercial route, and the consumers are the folks who must reform it, if it is reformed. The fellows who keep the toll gates are not going to help reform a system of which they are beneficiaries. And the manufacturers can hardly expect to try to get any closer to the consumer as long as the consumers are willing to pay the jobber and the wholesaler man, and then maintain a dozen retail distributing agencies where one could do the work at less expense.

The same system of warehouses that are used in the sale of farm products can be used in co-operative buying. The same capitalization and management can handle both the selling and buying part of the farmers' business. With a five thousand dollar warehouse in each county we would have a half-million dollar corporation and fifty thousand patrons. Can anybody presume that such a force as that would fail to get in closer business relationship with some manufacturers who would be willing to cut out the jobber and wholesaler and sell direct through our distributing warehouses at a saving that would amount to the expenses of maintaining a force of traveling salesmen, wholesale establishments and jobbers, that now come in between producer and consumer?

When we demonstrate to the business world that we can co-operate and do big business we can bridge the chasm that now stands between us and the manufacturers and shorten the route which their products have been travelling. This will be one of the ultimate and

natural results that will come from a successful co-operative warehouse system of selling, for the principle underlying it all is *direct and economic distribution from producer to consumer*.

In our efforts to purchase things at lowest possible prices, we must keep in mind that *our ability to purchase depends upon the price we get for what we have to sell*, and that the selling side of the business of farming is more important than the buying side. When we learn how to limit our marketable crops so as to keep up a strong and healthy demand for them and then sell them gradually and systematically through our own distributing warehouses the buying side will not seem so important. Unless we exercise the intelligence and good business sense to *price our own products*, as we have a right to do, and which every impulse of manhood and loyalty to the interests of our families suggest that we should do, it will be rather tame and futile efforts we will make in the attempt to price *other men's products*. When we succeed in taking care of our own interests by pricing our own products through a system of distributing warehouses, we will have developed business leadership enough to take good care of the buying side of the proposition wherever it needs it.

VII—TO STAY ORGANIZED AND EDUCATE.

In all the foregoing discussion I have tried to steer clear of any extended reference to the general interests of the country as a whole, for any solution of problems that affect us as a whole must of necessity leave the *business problems* that directly affect the interests of farmers, as a class, untouched and unsolved, because nobody can deal with these special class interests effectively and satisfactorily *except the farmers them-*

selves through their own class organization, in a business way.

We should organize to stay organized! It is discreditable to any set of men to start to do something that must be done for the protection of their own interests and then shirk back and refuse to do it. It is dishonorable to start a business fight for a square deal and then indifferently and cowardly quit the fight. When the balance of the world declares that "farmers won't stick," we ought to have the intelligence and firmness of purpose to prove the statement false. In full view of the wreck and ruin of former splendid organizations, we ought to be ashamed to leave behind us another wrecked farmers' organization. Confronted with an organized system of commercialism that is gradually taking the ownership of farm lands from those who till the soil, it will be a crime against our posterity to quit the Farmers' Union and let this heritage continue to leave the men and women whose labor gives it all its value. If we continue to let other classes *fix the prices of our products* it is only a question of time before they will be able to take possession of all our lands. *They are financially able to do it now!*

To shrink back and surrender because the task is a big one is an exhibition of cowardice and ignorance that is as disgusting as it is disastrous. To relax efforts and give up an organization which it has taken years of sacrifice to build up, only makes the task bigger and more difficult. The responsibility rests with each individual member, and when he quits he acknowledges personal defeat and failure as one of the units of the organization, for he can not shift his personal responsibility to anybody else. If he has been disappointed with the results, it isn't the first time in his life that he has been disappointed. Men who have the elements

in them that go to make a successful life do not sulk at defeat or quit when disappointment comes. If in our individual efforts it is a good policy to make a more determined effort after each failure, that policy is even more desirable in our relationship to the Farmers' Union and its mission.

We should stay organized to educate! The withering, blighting curse of ignorance is behind all forms of human slavery. "Success and power are born of knowledge, but lack of knowledge renders the people helpless in the struggle for existence." The educational feature of the Farmers' Union is most important, because it is fundamental. The class problems which the Farmers' Union must deal with can be handled successfully *only through intelligent business leadership and intelligent patronage*. It can not be done through appeals to sentiment and passion. Ignorance can be organized but it can't be kept organized. It is only through the process of education that a farmers' organization can be perpetuated. "Farmers won't stick" unless they know why they *must* stick. They will not meet changing conditions successfully unless they *know what the conditions are*.

The farmer is the pack horse of American civilization. "*Theoretically* he has no enemies; *practically* he has no friends." He enters into competition with his own class to produce bumper crops and under the law of supply and demand *the other fellows get the products at smaller prices*. He sells in competition with his neighbors, on congested markets, regardless of present or future demand, and prices tumble again, and *somebody else gets the benefit!* A few years ago an eminent Southern writer and historian made this reference to the coming of the Farmers' Union: "It is a subject for national rejoicing that the farmers are

coming together again in a class organization of their own. Heaven knows, it is time. A flock of sheep, girdled by ravenous wolves, would not be in much worse fix than are the farmers of our land, surrounded by the pedatory trusts. A naked swimmer, trying to make shore through a swarm of man-eating sharks, would have just about as good chance for his life as a Southern cotton grower has to prosper under present conditions. It appalls me when I think of the indifference of the farmer; it enrages me when I contemplate the deviltry of the system which robs him."

But there is no good reason for the farmer to be enraged with a business system that robs him of all his profits, when it lies within his power to prevent it, by combination and co-operation with those who belong to his class and whose interests are identical with his. The classes who are taking his profits are doing it by his consent. When we surrender to them, whether they belong to trusts or not, the right and privilege to price the products which we peddle upon the streets, they would be foolish not to do it, and we should have no class fight against them for doing what we tamely permit them to do.

In concluding this series of articles on "*Why Farmers' Should Organize and Stay Organized*," it may not be amiss for me to say that I have not attempted any political "play to the grand stand" or to court general public applause. If all the conflicting interests of this country should heartily endorse the contentions made by me under this subject, in dealing exclusively with the direct interests of farmers, as a class, I would be sadly disappointed. I might win hearty applause from the consumers of farm products if I should follow the example of technical agricultural journals and political "helpers" of the farmers, and should stress the im-

portance of straining every muscle to produce bumper crops for the market, regardless of *demand or distribution*, but this general applause should not come when I make argument in favor of *limiting production of crops for the market*, so as to keep up a strong demand for them, and then *control the supply to meet actual demand*, just as all intelligent folks do business. A co-operative system of marketing by farmers that would secure the endorsement and support of *all classes* wouldn't be worth much to the farmers.

Boldly, fearlessly and manfully we must fight our own battles. All other classes and subdivisions of conflicting interests have all they can do to look after and protect their own class interests, and most of them are doing it successfully. Acting as individuals, independent of each other, financial disaster would loom up before them. Acting alone and single-handed the farmer is weak and powerless—an easy prey for superior intelligence and organization. To strengthen the Farmers' Union and promote its mission should be the firm and steadfast purpose of every loyal farmer who has the elements of manhood and patriotism in him. If it was important to organize, it is more important to *stay organized*. If the way seems long, and at times disappointing, keep traveling it, for there is absolutely no other way out. If all of us don't complete the journey, let's turn the organization over to our descendants and let them finish the trip.

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